

# Teachers' Retirement System

## Plan 1 Disability Benefits

*The provisions governing your disability benefits are contained in the Revised Code of Washington (RCW) Chapter 41.32 and the Washington Administrative Code (WAC) Chapter 415-112. This publication summarizes those provisions. It is not a complete description of the law. If there are any conflicts between what is written in this publication and what is contained in the law, the applicable law will govern.*

If you are a member of TRS Plan 1 and you become disabled, you may be entitled to disability benefits. You are a Teachers' Retirement System (TRS) Plan 1 member if you established TRS membership before October 1, 1977. This publication describes disability benefits and how to apply for them. The Department of Retirement Systems (DRS) recommends that you contact a TRS retirement services analyst if you intend to apply for disability benefits. See "How Do I Apply?" on page 3.

You may also be eligible for benefits from the Department of Labor and Industries (Workers' Compensation benefits), the Department of Social and Health Services, the Social Security Administration and your employer. Please contact these organizations directly for more information.

## Temporary Disability Benefits

### Is there a time limit for filing a Temporary Disability Application?

You must apply within four years of the date the disability occurred. If you have a disability that gets worse over time, the four year time limit starts at the onset of the disability.

### Am I eligible for Temporary Disability Benefits?

To be eligible for temporary disability benefits you must:

- Be a member employed full-time in a TRS-covered position at the time the disability occurs (if you are on authorized leave from a full-time TRS position, you are considered employed);
- Be a member employed full-time in a TRS-covered position when applying for and while receiving disability benefits;
- Be mentally or physically disabled for the performance of your duties for at least 60 consecutive calendar days before applying for and receiving temporary disability benefits.

If you were not employed full-time in Washington public school service in the prior fiscal year and you return to full-time service, you must be employed for at least 50 consecutive days to again qualify for temporary disability coverage.

**Example 1:** Linda is injured in a car accident. She takes eight months off to heal and then returns to work. Three years later, she learns she could have received temporary disability benefits. Linda can still apply for temporary disability benefits because the four year time limit has not expired.

**Example 2:** Hunter is injured and uses up his sick leave while recuperating. He decides to go on unpaid leave of absence and remains in that status for four years. At the end of those four years, he applies for temporary disability benefits. Hunter is not eligible for temporary disability benefits because the four year time limit ran out while he was on leave of absence.

**Example 3:** Karen is ill and decides to go on unpaid leave of absence for two years. At the end of the two years, she is diagnosed with a disease and terminates her employment, then she decides to apply for temporary disability benefits. Karen is not eligible for temporary disability benefits because she terminated her employment.

### What are my Temporary Disability Benefits?

Temporary disability benefits are \$180 per month for up to two continuous years per incident. The first payment is retroactive to the effective date of the disability.

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## Permanent Disability Benefits

**Important:** You should file an application for disability benefits and receive a determination of eligibility from DRS **before** you separate from service

### Is there a time limit for filing a Permanent Disability Application?

There is no time limit for applying for a permanent disability retirement.

### Am I eligible for Permanent Disability Benefits?

To be eligible for disability retirement benefits, you must:

- Be permanently disabled for the performance of your duties;
- Have five or more years of Washington State TRS service credit;
- Be employed under a continuing service contract as a contributing member of TRS at the onset of the disability (you are covered during the summer if you were under a service contract during the preceding school year); and
- Terminate your public school service **after** submitting your permanent disability application and receiving approval from TRS. (Members should discuss their case with a TRS retirement services analyst prior to separating from employment.)

If you are eligible for a service retirement benefit, you are **not** eligible for a disability benefit. You are eligible for a service retirement benefit if you:

- Have at least 30 years of service credit regardless of age;
- Are age 60 or older and have at least five years of service credit; or
- Are age 55 or older and have at least 25 years of service credit.

DRS determines disability based upon your condition at the time of application. You are responsible for providing DRS with medical information to show that you are totally incapacitated for continued employment. Your doctor must support any opinions or conclusions with objective data, such as observations recorded in office visit notes and tests. You are responsible for scheduling and paying for independent medical examinations.

You have not separated from service if you are on any type of leave. For example, Joseph is disabled and on unpaid leave from his employer. He is not eligible for a disability retirement allowance because his employer is still reporting him as an employee. However, Joseph may apply for disability retirement and receive a determination of eligibility from DRS before separating from employment.

### What are my Permanent Disability Benefits?

You will receive a monthly benefit calculated as follows: 2 percent x average final compensation x service credit years. Average final compensation (AFC) is based on your highest two consecutive compensated fiscal years (July 1 through June 30). Service credit is your total years of service credit at the time you separate from employment.

**Note:** If you become permanently disabled and will be compensated for less than 144 full-time days during the school year, your effective retirement date will be on the first of the month following the month you separated from TRS-covered employment. In the event that you are compensated for 144 or more full-time days during the school year, your effective retirement date will be July 1st of that school year. This is an important factor to consider if you are contemplating using sick leave, shared leave, etc., as this counts as earnable compensation for full-time days.

**Example 1:** John is a 47-year-old administrator with 24 years of service credit who found out in December that he was terminally ill. He had already worked 132 full-time days for the school year. He used sick leave so that at the end of January, he had received compensation for 153 full-time days. Because he was compensated for more than 144 full-time days, he was not entitled to a disability retirement until July 1 of that school year. John passed away on March 31st while still in active service. His surviving 50-year-old spouse will receive a death in service benefit instead of a disability survivor option benefit. The Option 2 survivor benefit for his death in service will leave his wife with \$1,559.31 per month for the rest of her life, with applicable cost of living adjustments. John's first date of eligible regular service retirement, if he had been able to continue working, would be at age 53 with 30 years of service.

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**Example 2:** John (referenced in example 1) decided to change his mind and to use five days of sick leave in January and five days in February. He terminated TRS-covered employment on February 28th of that same school year to ensure his compensation would be less than 144 full time school days, making his disability retirement date March 1. This resulted in a greater benefit to his spouse; \$2,556.25 disability benefit verses \$1,559.31 death in service benefit should he pass away before July 1st.

Disability retirement calculation: 2 percent x \$5,833.00 (AFC) x 24.00 years of service = \$2,799.84 for maximum option, reduced by 8.7% for Option 2 survivor benefit = \$2,556.25 Note: There is no actuarial reduction to the disability benefit for retiring prior to being eligible for a regular service retirement.

Death in service benefit calculation: 2 percent x \$5,833.00 (AFC) x 24.00 years of service = \$2,799.84 for maximum option, reduced by 39% to reflect retiring 6 years early = \$1,707.90, then further reduced by 8.7% for Option 2 survivor benefit = \$1,559.31

### In cases of Terminal Disability

If your disability is terminal, you are encouraged to discuss survivor benefit options with a TRS retirement services analyst. If you are disabled, **do not delay applying**. If you die before your disability retirement application has been submitted, your qualifying beneficiary may receive a death in service survivor benefit, which will be less than if you had applied for a disability retirement.

If you die within 60 days of filing your disability application, your qualifying beneficiary may choose between the active member or disability benefit. To learn more about designating a beneficiary and survivor benefit options, please refer to your member handbook.

## Can I lose my benefit?

If you are receiving a monthly disability retirement benefit, DRS may require you to undergo comprehensive medical examinations. You are responsible for providing medical proof of your disability and paying the cost of such proof. You or your doctor must report any change in your condition to DRS.

If medical examinations show that you have recovered from the disability for which TRS granted disability benefits, you will no longer be eligible to receive the benefit.

## How do I apply?

Contact DRS for an estimate and application packet. (See contact information at the end of this brochure.) When you contact DRS, be prepared to provide the following information:

- Your name, address, and daytime phone number
- Your Social Security Number
- Your retirement system and plan
- Your beneficiary's date of birth
- Your employment status (leave of absence, sick leave, shared leave, etc.)
- The date you expect to end your employment

When you receive your packet, make sure that all three parts of the TRS disability application are completed by the proper persons and returned to DRS.

- **Part 1: Disability Retirement Application.** - *You must complete, sign and have notarized.*
- **Part 2: Employer's Statement and Report.** - *Your employer must complete, sign and return directly to DRS.*
- **Part 3: Medical Report.** - *Your physician must complete, sign and return directly to DRS.*

Once Part 1 of the disability application is received by DRS, you have applied for disability benefits. However, your eligibility will not be determined until DRS receives all three parts of the application. Be sure and keep a copy of Part 1 for your records.

## TRS Plan 1 Disability Benefits

### How long does approval take and when will my benefit begin?

When all three parts of the completed application are received by DRS, the determination process takes approximately two weeks. However, the process may take longer if DRS requires additional information from you or other sources concerning your application. DRS will contact you if additional information is needed to process your application.

Your benefit will not begin until you separate from employment. If you continue working full-time or part-time and do not separate within 60 days of the application approval date, DRS will cancel its approval. If you then become totally incapacitated, you must reapply and submit new medical evidence for consideration.

### Other provisions concerning disability benefits

#### Appealing a decision

If DRS denies your application for benefits, you may petition for a review within 120 days of receiving the denial. Instructions are available in chapter 415-04 WAC. If your petition is denied, DRS will inform you of the appeal procedures, which are available in chapter 415-08 WAC. You will have 60 days to appeal the decision. DRS does not pay for tests, reports, or examinations needed during the appeals process.

If you have separated from service, do not return to work and file another disability application based on the same conditions (no additional information); DRS does not consider it a new application and will deny it. However, if you file an application that is denied before you separate from service (e.g., you are on leave), you may file another application if the same condition gets worse and/or if you are able to provide additional information.

#### Errors

If you receive an overpayment of your disability benefit, DRS will require that the overpayment be repaid. If you receive an underpayment, DRS will correct the error and pay you in full.

#### Taxation and assignment of benefits

Disability benefits are taxed as ordinary income until normal retirement age. You may be able to receive tax credits for the elderly or disabled as explained in the Internal Revenue Service (IRS) Publication 524. You must complete a W-4P form to tell DRS how much of your benefit you want withheld for taxes. If you do not, DRS will follow IRS rules requiring withholding as if you are married and claiming three exemptions. You are responsible for declaring the proper amount of taxable income on your income tax return.

Your benefits may be subject to court or administrative orders for such things as spousal maintenance or child support, or orders authorized by federal law. DRS is authorized to divide benefits between members and ex-spouses based upon court-ordered property division. If the property division dissolution order complies with the applicable law, DRS will send the property division payment directly to your ex-spouse. For more information, see the member publication *How Can a Property Division Affect My Retirement Account?* available on the DRS Web site.

### Where to find more information

Refer to your *TRS Plan 1 Member Handbook*, visit the DRS Web site, or contact DRS directly. DRS office hours are 8 a.m. to 5 p.m., Monday through Friday, except legal holidays. Before visiting, please call to schedule an appointment.

#### Send mail to:

Department of Retirement Systems  
PO Box 48380  
Olympia, WA 98504-8380

#### Web site:

[www.drs.wa.gov](http://www.drs.wa.gov)

#### Call:

Toll-free at 1-800-547-6657  
Olympia area call (360) 664-7000

#### E-mail:

[recep@drs.wa.gov](mailto:recep@drs.wa.gov)

For information about obtaining a copy of this publication in an alternate format, contact DRS Publications at 800-547-6657, extension 47278. From the Olympia area, call 360-664-7278.